

WHITE
Wood
Lewis

November 4, 1957
Opinion No. 57-133

REQUESTED BY: Insurance Department of Arizona
OPINION BY: ROBERT MORRISON, Attorney General
QUESTION: May the Insurance Department approve filings when proposals of coverage include the peril of fire without requiring inclusion of the terms of the Arizona Standard Fire Policy?
CONCLUSION: No.

Attorney General's Opinion No. 55-166, dated July 28, 1955, holds that a package policy with an indivisible premium is permissible under the insurance laws of the State of Arizona. Although the Arizona Insurance Code does not prohibit the issuance of what is commonly known as a package policy with indivisible premium, such policies must comply with the requirements specified in the statutes. A.R.S. § 20-1503 reads as follows:

"§ 20-1503. Arizona standard fire policy

A. No policy of fire insurance covering property located in this state shall be made, issued or delivered unless it conforms as to all provisions and the sequence thereof with the basic policy commonly known as the New York standard fire policy, edition of 1943. Such policy is designated as the Arizona standard fire policy.

B. The director shall file in his office and thereafter maintain so on file, a true copy of the Arizona Standard fire policy, designated as such and bearing the director's authenticating certificate and signature and the date of filing. Provisions to be contained on the first page of the policy may be rewritten, supplemented and rearranged to facilitate policy issuance and to include matter which may otherwise properly be added by endorsement."

A.R.S. § 20-1507 permits riders, endorsements and additional perils. This section reads as follows:

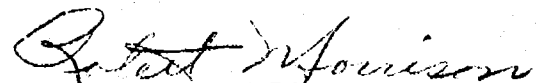
" A. Appropriate forms of additional contracts, riders or endorsements, insuring against indirect or consequential loss or damage, or against any one or more perils other than those of fire and lightning, or providing coverage which the insurer issuing the policy is authorized by charter and by the laws of this state to assume or issue, may be used in connection with the standard fire policy.

B. Such other perils or coverages may include those excluded in the standard fire insurance policy, and may include any of the perils or coverages permitted to be insured against or issued by property and casualty insurers. Such forms of contracts, riders and endorsements may contain provisions and stipulations inconsistent with such standard fire insurance policy, if such provisions and stipulations are applicable only to such additional coverage or to the additional peril or perils insured against."

It is noted that paragraph A, A.R.S. Sec. 20-1503, above quoted, specifically states that no policy of fire insurance covering property in this State shall be made, issued or delivered unless it conforms as to provisions and the sequence thereof with the "Arizona standard fire policy" (A.R.S. Sec. 20-1502).

It is accordingly the opinion of the Department of Law that the Insurance Department may not approve filings when proposals of coverage include the peril of fire without requiring inclusion of the terms of the Arizona standard fire policy as specifically required in the statutes above quoted.

RM/lw
57-133


ROBERT MORRISON
The Attorney General